

*United States District Court
District of New Jersey*

UNITED STATES OF AMERICA : CRIMINAL COMPLAINT

v. :
RICHARD BANACH, :
ALNEATHA BARKSDALE :
nee MCMILLAN, ERIC BARKSDALE, :
DEVON CHARLES, :
WILLIAM MCMILLAN, a/k/a :
"DANIEL BERMAN," and :
RUSSELL PLESS. :

Magistrate No. 07- (JJH)

(-011)
(-021)
(-037)
(-047)
(-057)
(-067)

I, the undersigned complainant, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

Between in or about February 2001, and the present, in Middlesex County, in the District of New Jersey, and elsewhere, defendants RICHARD BANACH, ALNEATHA BARKSDALE nee MCMILLAN, ERIC BARKSDALE, DEVON CHARLES, WILLIAM MCMILLAN, a/k/a "DANIEL BERMAN," and RUSSELL PLESS:


did, conspire and agree together to commit an offense against the United States, specifically bank fraud contrary to Title 18, United States Code Section 1344

In violation of Title 18, United States Code, Section 371.

I further state that I am an Inspector with the United States Postal Inspection Service, and that this Criminal Complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.


Signature of Complainant
Wendy Diamond
Inspector
United States Postal Inspection Service

Sworn to before me and subscribed in my presence,

August 8, 2007
Date

at

Trenton, New Jersey

Honorable John J. Hughes
United States Magistrate Judge
Name & Title of Judicial Officer


Signature of Judicial Officer

B. 4 Kolb Avenue, Sayreville, NJ

1. On or about February 14, 2003, Eric and Alneatha Barksdale sold 4 Kolb Avenue, in Sayreville, NJ, to "Daniel Berman," for approximately \$400,000.00, plus settlement fees. The purchase was financed with a \$320,000.00 loan obtained from ABN AMRO Mortgage Group, Inc. with the help of mortgage broker Richard Banach of North Shore Financial. "Berman" agreed to pay the balance of the sale price at the time of closing.

2. At the closing, "Daniel Berman," an elderly, African-American man, presented two forms of identification, a New York state driver's license and a Midwood Development Corporation employee identification card. Further investigation revealed that Midwood Development Corporation never employed a "Daniel Berman." Additionally, a review of New York driving records and the closing documents reveals that the New York state driver's license used at the closing featured a photo of William McMillan, father of Alneatha Barksdale. The real "Daniel Berman" is a white male residing in Florida who reported his identity stolen after receiving notification of foreclosure proceedings for 4 Kolb Avenue.

3. Documents submitted to the mortgage company listed the following information for "Daniel Berman": home address – 34 Oakland Place, #2, Brooklyn, NY; social security number – 131-22-1373; employer– Back on Track Housing, 3519 Snyder Avenue, Brooklyn, NY.³

4. At the closing, both the Barksdales and Richard Banach received funds from the ABN AMRO mortgage. "Daniel Berman" did not provide any additional funds. Further, ownership of 4 Kolb Avenue did not appear to pass from the Barksdales to "Berman," a/k/a William McMillan, after the sale. The Barksdales continued to live in the house and made payments on the mortgage until the default, including payments in June, August, and October 2003.

5. On or about February 19, 2004, Richard Banach requested an appraisal of 4 Kolb Avenue, Sayreville, NJ for the purpose of a sale from "Berman" to Pless. In his request, Banach listed Barksdale as the realtor for the transaction. This second purported sale of 4 Kolb Avenue was never completed.

6. By 2006, the property had gone into foreclosure and was sold at a sheriff's auction. Nevertheless, the Barksdales remained in the house and contested the sale, asserting in court filings that they were legitimate tenants of "Daniel Berman."

³The home address and employer's address correspond to the two properties previously sold by the Barksdales. Further, the Employer Identification Number provided for Back on Track Housing, corresponds to the Social Security number provided for Devon Charles at the time of the 2001 sale.

ATTACHMENT A

I, Wendy Diamond, am an Inspector with the United States Postal Inspection Service. I have knowledge of the following facts from my own investigation and my discussions with and review of reports of other law enforcement officers. Because this Affidavit is submitted for the sole purpose of establishing probable cause to support the issuance of a Criminal Complaint, I have not included each and every fact known by the Government concerning this investigation. All conversations are recounted in sum and substance.

A. New York Sales

1. On or about January 8, 2001, Eric and Alneatha Barksdale sold a multi-family residence at 3519 Snyder Avenue in Brooklyn, New York, to Devon Charles, for approximately \$245,000.00, plus settlement costs. The purchase was financed with a \$196,000.00 loan obtained from Chase Mortgage with the help of mortgage broker Richard Banach of North Shore Financial.

2. Documents submitted to the mortgage company listed Charles's residence as 34 Oakland St, Unit 1, Brooklyn, NY, and his social security number as 071-84-6940.

3. Both the Barksdales and Richard Banach/North Shore Financial received funds from the Chase mortgage at the time of the closing; however, it does not appear that ownership transferred from the Barksdales to Charles.¹

4. On or about August 26, 2002, Eric and Alneatha Barksdale sold a multi-family property at 34 Oakland Place, Brooklyn, NY, to Russell Pless, for approximately \$319,000.00, plus settlement costs. The purchase was financed with a \$255,200.00 loan obtained from ABN AMRO Mortgage Group, Inc. with the help of mortgage broker Richard Banach of North Shore Financial.

5. Documents submitted to the mortgage company listed Pless's residence as 34 Oakland Place, Brooklyn, NY, his social security number as 125-84-5028, and his employer as Back on Track Housing, at 3519 Snyder Avenue, Brooklyn, NY-- the previously sold property.

6. Both the Barksdales and Richard Banach/North Shore Financial received funds from the mortgage at the time of the closing; however, it does not appear that ownership of the property transferred from the Barksdales to Pless.²

¹For instance, bank records indicate that the Barksdales made payments towards Devon Charles's Chase mortgage on at least eight occasions between April 2001 and March 2004. Further records indicate that in or about July 2004, Richard Banach made a \$ 3,235.00 payment towards the Devon Charles mortgage. Likewise, as late as 2004, Eric Barksdale received mail at the 3519 Snyder Avenue address, including checks which were deposited into Barksdale's bank account.

²For instance, bank records indicate that the Barksdales made payments towards Russell Pless's ABN AMRO mortgage on at least six occasions between November 2004 and July 2005. Likewise, in 2006 and 2007, third party checks to Eric and Alneatha Barksdale and to Devon Charles, worth over \$15,000.00, were deposited into Pless's bank account.